headed by Shri R. N. Malhotra, former Governor of Reserve Bank of India, was set up by the Government of India in April 1993 to suggest reforms in the Insurance Sector aimed at introducing a more competitive environment subject to suitable regulation and supervision. The Committee will consider, among other things, the issues raised in the Question. The recommendations of the Committee which are expected shortly, will be considered by the Government of India thereafter.

Free Import of Consumer Goods by 1996-97

1472. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to free all consumer goods imports from physical controls by 1996-97; and

(b) if so, what are the implications of this proposed policy on the Indian consumer goods industry and the tax structure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Rationalisation of customs duties and import policies for consumer goods with a view to a tariff-cum-OGL import has been incorporated in a Discussion Paper. However, no policy decision has yet been taken.

(b) Does not arise.

Outstanding Overdues of Agricultural Loans in Andhra Pradesh (A.P.)

1473. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) what are the total outsanding overdues of agricultural loans advanced by commercial banks in untur and Prakashan Districts of A.P.;

(b) Since how long they are overdue;

(c) what is the total number of defaulters in this regard; and

(d) the details thereof Mandal Tehsilwise of these two districts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The date reporting system does not generate Mandal Tehsil-wise information in respect of the defaulters and the amount of overdues of advances extended by banks to them. However, the total amount of demand, recovery made out of the same and the amount of overdues outstanding in respect of crop loans advanced by banks in the Districts of Guntur and Prakasham in Andhra Pradesh during the year ending June 1992 latest available was as under:

(Amount Rs. in lakhs)

	Demand	Recovery	Overdues
Guntur . .	13951	4953	8998
Prakasham .	11853	6598	5255

The age-wise break-ups of the overdue amount mentioned above are given below:

(Amount Rs. in lakhs)

	Below 1 year	1—3 year	3 years above	Total Overdues
Guntur . .	3730	1743	3555	8998
Prakasham .	1427	2891	937	5255

Earning of Financial Control on Nationalised Banks

1474. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to ease its financial control on nationalised banks in the country;

(b) if so, the facts and details thereof;

(c) whether the financial condition of several nationalised banks in the country is poor; and

(d) to what extent the ease of financial control on nationalised banks is going to help the sick nationalised banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Government propose to permit the nationalised banks to access the copital Market to raise fresh equity. Government will, however, continue to retain majority share-holding in the equity of the nationalised barks.

With a view to improve the viability and financial health of the nationalised banks, a provision of Rs. 5700 crores has been made in the budget for the current year (1993-94). The nationalised banks will be required to enter into agreements with the Reserve Bank of India covering areas such as staff productivity, asset management and reduction of non-performing assets as a pre-requisite for the release of this additional share capital.

(c) During the year ended 31-13-1993, thirteen nationalised banks incurred losses aggregating Rs. 3763.61 crores.

(d) Contribution of additional share capital by the Government and raising of equity from the capital market will enable the nationalised banks to meet the capital adequacy norms prescribed by RBI and also expand their business which would otherwise be constrained.

Racket of Benami Transactions

1475. SHRI GURUDAS DAS GUPTA:
SHRI N. GIRI PRASAD:
SHRI KAILASH NARAIN SARANG:

Will the Minister of FINANCE be pleased to state.

(a) whether Government's attention has been drawn to news item which appeared in the Times of India, New Delhi edition of 20th November, 1993 on the alleged racket involving diversion and illegal encashment of stolen and benami cheques, drafts, dividend warrants and pay-orders which run into almost Rs. 2,000 crorers a year;

(b) if so, whether any investigation has been made into such rackets;

(c) if so, the details and what actions has been taken against the bank officials involved in these rackets; and

(d) the steps taken to prevent such rackets in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) to (d) Reserve Bank of India (RBI) has been receiving complaints regarding instances of fraudulent encashment of refund ordesrs, dividend warrants and other payment instruments. The RBI's invstigations have revealed that by and large the modus operandi employed in such fraudulent transactions was broadly as under :—

(a) Opening of fictitious accounts and lodgement/collection of stolen/pilfered/benami instruments and subsequent withdrawal of the proceeds thereof.

(b) Collection/lodgement of third party instruments in genuinely opened current accounts and subsequent withdrawal of the proceeds thereof.

(c) Encashment of payment instruments wherein payee names and maturity amounts were chemically altered and the instruments were collected through fictious accounts.

As far as public sector banks are concerned, as per available information, one Branch Manager and one Assistant Branch Manager of Central Bank of India have